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**ARIZONA DEPARTMENT OF ECONOMIC SECURITY**

1789 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

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Janet Napolitano  
Governor

David A. Berns  
Director

**WIA GUIDANCE LETTER # 06-04**

**SUBJECT:** Instructions to be Followed by Local Workforce Investment Boards (LWIAs) to Request an Increase in the Transfer Rate (%) of Funds Between Their Adult and Dislocated Worker Formula Allocations

**REFERENCE:** P.L. 105-220, §117(e), §133(b)(4)(A) and (B) of the Workforce Investment Act (WIA) of 1998; 20 CFR, §667.140(a) of the WIA Final Rules; Department of Labor Training and Employment Guidance Letter (TEGL) No. 23-02

**BACKGROUND:** On September 17, 2004, the Department of Labor granted the State of Arizona's request for a waiver of the 20 percent transfer limitation between the Adult and Dislocated Worker formula allocations under WIA Title IB, Section 133(b)(4). The waiver also supersedes subsequent transfer guidance in TEGL 23-02 dated April 1, 2003, which increased the transfer limit to 30 percent beginning with the Program Year (PY) 2004 state appropriation.

Under terms of the waiver, the Governor's Council on Workforce Policy (GCWP) is given the authority to grant individual LWIBs the ability to transfer up to 100% of their program year funding allocations for Adults and Dislocated Workers, between the two programs, beginning with funds allocated in PY 2004/FY 2005. **This authority of the GCWP is effective through June 30, 2005. Note: The terms of this waiver have no impact on the allocation, transfer, or expenditure of WIA Title B youth formula funds.**

The responsibility of LWIBs is to plan, oversee, and evaluate the delivery of WIA Title IB employment and training programs in their respective areas through the One-Stop service delivery system. Because of Arizona's size, its population distribution, its cultural diversity, and the remoteness of many of its communities, customer needs vary greatly from one local workforce investment area to another. It is under this general premise that the following state policies are set forth, and the following specific actions are required by an LWIB to request GCWP approval of an increased percentage in the transfer of funds that exceeds the current 30% limit:

**POLICIES**

**A. Transfer Requests**

The LWIB may request single or multiple transfers of funds during PY 2004. However, the GCWP shall not review a transfer request if it is received on or after the final GCWP meeting of PY 2004 is scheduled. In such instances, the request will not be processed and will be returned to the originator.

**B. Funds *Not* Subject to Transfer Requests**

- (1) Adult or Dislocated Worker funds returned to and/or re-allocated by the Department of Economic Security (WIA Title IB administrative entity)
- (2) Funds awarded to the state under a National Emergency Grant (NEG)
- (3) Funds reserved under the Governor's 15% discretionary rules

**C. Sunshine Provisions**

All transfer requests are subject to the "Sunshine Provision" of WIA Section 117(e) and require that local boards make their intentions regarding transfers available for public comment and discussed in open meetings.

**D. LWIB Five-Year Strategic Plan Modifications**

Approval by the GCWP of a local board's request for an increased transfer rate constitutes a modification of the LWIB's Five-Year Strategic Plan. The Local Board shall ensure that a copy of the approved request is filed with the Local Plan, and notification of the approval is communicated to the Local Workforce Investment Board Chair, the Chief Elected Official, the Department of Economic Security, the Department of Commerce, and the Local WIA Program Director(s) as appropriate.

**LOCAL PROCEDURE FOR REQUESTING A TRANSFER PERCENTAGE INCREASE**

- The attached form, "**Request for Transfer of Adult and Dislocated Worker Formula Funding,**" must be completed and approved by the LWIB as indicated.
- The completed form must be submitted electronically *and* in hard copy to the Department of Commerce/Workforce Development Unit and to the Department of Economic Security/WIA Section to facilitate GCWP review.

***Electronic* copies shall be submitted to the following e-mail addresses:**

- (1) Department of Commerce/Workforce Development Unit:

[debrar@azcommerce.com](mailto:debrar@azcommerce.com)

- (2) Department of Economic Security/WIA Section:

[pgregan@azdes.gov](mailto:pgregan@azdes.gov)

***Hard* copies shall be mailed to the following addresses:**

- (1) Department of Commerce  
Office of Workforce Development  
Executive Tower, Suite 220  
1700 West Washington  
Phoenix, AZ 85007  
Attn: Ms. Debra Raeder

(2) Department of Economic Security  
Employment Administration/WIA Section  
1789 West Jefferson, Site Code 920Z  
Phoenix, AZ 85007  
Attn: Ms. Patricia Gregan

**ACTION REQUIRED:** Please distribute this letter and its attachment to appropriate staff.

For questions regarding fund transfers, contact Ms. Pat Gregan, Manager of Planning and Program Development at (602) 542-2490 or via e-mail at [pgregan@azdes.gov](mailto:pgregan@azdes.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Lela Alston". The signature is fluid and cursive, with the first name "Lela" and last name "Alston" clearly distinguishable.

Lela Alston  
WIA Section Manager  
Employment Administration

Attachment (1)

**DATE:** \_\_\_\_\_

Funding Source of Transfer		Amount of Transfer Requested	% of Transfer Requested
<input type="checkbox"/> ADULT	<input type="checkbox"/> DISLOCATED WORKER	\$	%

1. Describe the situation that necessitates transferring funds. Include labor market and other economic conditions that contributed to the need for this transfer request.
2. Explain how the transfer of funds will impact the participant levels in both the Adult and Dislocated Worker Programs. Provide an estimate of the number of Adult and Dislocated Workers expected to be served if the transfer is granted.

**REQUEST FORM - TRANSFER OF ADULT  
AND DISLOCATED WORKER FORMULA FUNDING**

3. Explain the effect of the transfer on current providers of training and other services. Include the impact on jointly funded employment and training programs in the local One-Stop system.
4. Describe the expected improvement (%) in WIA performance outcomes for both funding streams, if funding is better aligned with participants' needs in your LWIA.

**REQUEST FORM - TRANSFER OF ADULT  
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**ASSURANCES:**

- (1) The transfer of funds requested herein will not adversely affect individuals needing services provided by the program subject to reduced funding.
- (2) The transfer of funds will not reduce the required rate of expenditure by the end of the program year, for the funding source to which funds are transferred.

\_\_\_\_\_  
Name (Please Print)  
WIA Program Director

\_\_\_\_\_  
Signature – WIA Program Director

\_\_\_\_\_  
Date

.....  
\_\_\_\_\_  
Name (Please Print)  
LWIB Chairperson

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**SUBMITTAL INSTRUCTIONS:**

- The completed form must be submitted electronically *and* in hard copy to the Department of Commerce/Workforce Development Unit and to the Department of Economic Security/WIA Section to facilitate GCWP review.

***Electronic copies shall be submitted to the following e-mail addresses:***

(3) Department of Commerce/Workforce Development Unit:  
[debrar@azcommerce.com](mailto:debrar@azcommerce.com)

(4) Department of Economic Security/WIA Section:  
[pgregan@azdes.gov](mailto:pgregan@azdes.gov)

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